



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-078]

Large Diameter Welded Pipe from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty order on large diameter welded carbon and alloy steel structural pipe from the People's Republic of China (China).

DATES: Applicable [Insert Date of Publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Justin Neuman at (202) 482-0486 or Benito Ballesteros at (202) 482-7425, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On November 14, 2018, Commerce published its affirmative final determination in the countervailing duty investigation of large diameter welded pipe from China.¹ The scope of the investigation in Commerce's final determination covered large diameter welded carbon and alloy steel line pipe (welded line pipe), large diameter welded carbon and alloy steel structural pipe (welded structural pipe), and stainless steel large diameter welded pipe (stainless steel pipe) from

¹ See *Countervailing Duty Investigation of Large Diameter Welded Pipe from the People's Republic of China: Final Affirmative Determination*, 83 FR 56804 (November 14, 2018).

China.² As discussed below, the ITC subsequently found three domestic like products covered by the scope of the investigation (welded line pipe, welded structural pipe, and stainless steel pipe) and accordingly made a separate injury determination with respect to each domestic like product. On January 30, 2019, the ITC notified Commerce of its final determination, pursuant to section 705(d) of the Tariff Act of 1930, as amended (the Act), that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act by reason of subsidized imports of welded structural pipe from China.³ Additionally, the ITC made a negligibility determination with respect to welded line pipe and a negative determination of material injury or threat of material injury with respect to stainless steel pipe.⁴ On February 13, 2019, Commerce released draft revised scope language for comment by parties. American Cast Iron Pipe Company, Berg Steel Pipe Corp., Berg Spiral Pipe Corp., Dura-Bond Industries, Stupp Corporation, Greens Bayou Pipe Mill, LP, JSW Steel (USA) Inc., Skyline Steel, Trinity Products LLC, and Welspun Corp., Ltd. (collectively, the petitioners) provided comments, which we have incorporated into the final scope of the order.⁵

Scope of the Order

The product covered by this order is welded structural pipe from China. For a complete description of the scope of this order, see the Appendix to this notice.

² *Id.*

³ See ITC Notification Letter to the Deputy Assistant Secretary for Enforcement and Compliance, referencing ITC Investigation Nos. 701-TA-593-594, 731-TA-1402, and 731-TA-1404 (January 30, 2019) (ITC Notification). See also *Large Diameter Welded Pipe from China and India; Determinations*, 84 FR 1785 (February 5, 2019) (ITC Final Determination) and *Large Diameter Welded Pipe from China and India*, Investigation Nos. 701-TA-593-594, 731-TA-1402 and 731-TA-1404 (Final), Publication 4859, January 2019 (Final ITC Report).

⁴ *Id.*

⁵ See Petitioners' Letter, "Large Diameter Welded Pipe from India and the People's Republic of China: Comments on the Scopes of the Orders," dated February 15, 2019.

Countervailing Duty Order

On January 30, 2019, in accordance with section 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that imports of welded structural pipe are materially injuring a U.S. industry.⁶ As a result, and in accordance with section 705(c)(2) and 706 of the Act, we are publishing this countervailing duty order. As noted above, in its determination, the ITC found three domestic like products covered by the scope of the investigation: welded line pipe, welded structural pipe, and stainless steel pipe. The ITC made a negative determination with respect to stainless steel pipe from China, and found that imports of welded line pipe from China are negligible. The ITC made an affirmative determination with respect to welded structural pipe from China. Because the ITC made distinct and different injury determinations for separate domestic like products, Commerce will instruct U.S. Customs and Border Protection (CBP) to assess countervailing duties on entries of welded structural pipe (subject merchandise) from China, and not on entries of welded line pipe and stainless steel pipe (excluded merchandise) from China.

Welded Line Pipe

The Final ITC Report describes welded line pipe as a tubular product produced from carbon and alloy steel, produced to American Petroleum Institute (API) 5L specifications, and designed for conveying liquids and gases.⁷ Because the ITC determined that subsidized imports of welded line pipe from China are negligible, Commerce will direct CBP to terminate the suspension of liquidation for entries of welded line pipe from China entered, or withdrawn from warehouse, and to refund all cash deposits with respect to these entries pursuant to section 705(c)(2) of the Act.

⁶ See ITC Notification; *ITC Final Determination*, 84 FR 1785.

⁷ See Final ITC Report at 11-12.

Welded Structural Pipe

The Final ITC Report describes welded structural pipe as a tubular product produced from carbon and alloy steel, produced to American Society for Testing and Materials (ASTM) specifications, and designed for support in construction projects and piling.⁸ Because the ITC found that subsidized imports of welded structural pipe from China are materially injuring a U.S. industry,⁹ Commerce will direct CBP that all unliquidated entries of subject merchandise from China, entered or withdrawn from warehouse, are subject to the assessment of countervailing duties pursuant to section 706 of the Act, as described below.

As a result of the *ITC Final Determination*, in accordance with section 706(a) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of welded structural pipe from China. Countervailing duties will be assessed on unliquidated entries of welded structural pipe from China entered, or withdrawn from warehouse, for consumption on or after June 29, 2018, the date of publication of the *Preliminary Determination*,¹⁰ but will not be assessed on entries occurring after the expiration of the provisional measures period (October 27, 2018), in accordance with section 703(d) of the Act, until the date of publication of the *ITC Final Determination* in the *Federal Register*.

Stainless Steel Pipe

The Final ITC Report describes stainless steel pipe as being produced from stainless steel for its high-chrome chemistry and corrosion-resistant properties.¹¹ Because the ITC made a negative determination of material injury or threat of material injury by reason of subsidized

⁸*Id.*.

⁹ *Id.* at 1 and 3.

¹⁰ See *Large Diameter Welded Pipe from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination*, 83 FR 30695 (June 29, 2018) (*Preliminary Determination*).

¹¹ *Id.* at 10.

imports of stainless steel pipe from China,¹² Commerce will direct CBP to terminate the suspension of liquidation for entries of stainless steel pipe from China entered, or withdrawn from warehouse, and to refund all cash deposits with respect to these entries pursuant to section 705(c)(2) of the Act.

Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will direct CBP to reinstitute the suspension of liquidation on all relevant entries of subject merchandise (*i.e.*, welded structural pipe) from China, effective the date of publication of the *ITC Final Determination* in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. We intend to instruct CBP to require, at the same time as importers would normally deposit estimated import duties on this merchandise, cash deposits for each entry of subject merchandise equal to the rates noted below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all other producers or exporters not specifically listed.

Exporter or Producer	Subsidy Rate
Hefei Zijin Steel Tube Manufacturing Co.	198.49 percent
Hefei Ziking Steel Pipe	198.49 percent
Panyu Chu Kong Steel Pipe Co. Ltd.	198.49 percent
All-Others	198.49 percent

Notifications to Interested Parties

¹² *Id.* at 1 and 3.

This notice constitutes the countervailing duty order with respect to welded structural pipe from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is published in accordance with sections 705(c) and 706(a) of the Act and 19 CFR 351.211(b).

Dated: February 28, 2019.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix Scope of the Order

The merchandise covered by this order is welded carbon and alloy steel structural pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded structural pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded structural pipe may be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded structural pipe may be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded structural pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All structural pipe meeting the physical description set forth above, including any dual- or multiple-certified/stenciled pipe with an ASTM (or comparable) welded structural pipe certification/stencil, is covered by the scope of this order.

Subject merchandise also includes large diameter welded structural pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope large diameter welded structural pipe.

Excluded from the scope of this order is line pipe which is suitable for transporting oil, gas, slurry, steam, or other fluids, liquids, or gases, and is normally produced to American Petroleum Institute (API) specification 5L or equivalent foreign specifications grades and/or standards or to proprietary specifications, grades and/or standards.

The large diameter welded structural pipe that is subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000. Merchandise currently classifiable under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000 and that otherwise meets the above scope language is also covered. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

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